GOVERNMENT OF INDIA
MINES
LOK SABHA

UNSTARRED QUESTION NO:1337
ANSWERED ON:21.08.2007
GRANT OF LICENCE OF KHANDHAR MINES TO POSCO
Owaisi Shri Asaduddin

Will the Minister of MINES be pleased to state:

(a) whether the Government has received any request for granting license for the Khandhar mines;

(b) if so, the details thereof;

(c) whether the Union Government has sought any clarification from the Orissa for grant of a license for the Khandhar mines to POSCO, while ignoring the application of Kudremukh Iron Ore Company as reported in the Times of India dated June 18, 2007;

(d) if so, the details thereof and the reaction of the Government of Orissa;

(e) the present policy of the Government in regard; and

(f) the steps taken or being taken by Government ?

Answer

MINISTER OF STATE IN THE MINISTRY OF MINES (DR. T. SUBBARAMI REDDY)

(a)&(b): Ministry of Mines had received a proposal from Government of Orissa on 28.12.2006 seeking prior approval of Central Government for grant of prospecting licence (PL) for iron ore over an area of 6204.352 hectares in villages Kensara, Bhutuda, Rantha, Batagaon, Saraikela, Lusi and Raisuan, Bonai sub-division, district Sundargarh in favour of M/s POSCO India Pvt. Ltd. for a period of two years.

(c)&(d): Ministry of Mines sought comments of Government of Orissa on a representation dated 9.1.2007 received from M/s Kudremukh Iron Ore Company Ltd.(KIOCL) alleging that the State Government had ignored their application while sending the proposal in favour of M/s POSCO India Pvt. Ltd.. The State Government clarified that M/s KIOCL did not take any concrete steps to set up a beneficiation and pelletisation plant in Orissa or to take over Kalinga Iron Works to exploit the reserves of Khandadhar mining area as decided in a meeting held by the State Government and Ministry of Steel, Government of India on 5.2.2003. Therefore, the State Government passed a resolution dated 10.11.2006 not to allow KIOCL for setting up of the said projects. The matter is presently sub-judice before Tribunal(Mines).

(e)&(f): The proposal received from Government of Orissa for grant of PL in favour of M/s POSCO India Pvt. Ltd. was examined as per the provisions of the Mines and Minerals (Development & Regulation) Act, 1957 and Rules framed thereunder and it has been returned to the State Government on 16.7.2007 with the direction to take necessary action as per the extant provisions of the Act and the Rules inter-alia after giving hearing to other applicants.